GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6796
ANSWERED ON:10.05.2002
FOREIGN LOANS
RAMDAS ATHAWALE

Will the Minister of FINANCE be pleased to state:

(a) whether the Indian Banks are refusing to accept deposits of the amount of foreign loan sanctioned to the private companies;

(b) if so, the reasons therefore;

(c) the names of the external finance companies recognised by the Union Government and the Indian Banks from which foreign loans can be obtained;

(d) whether several cases of bungling in the name of foreign loan have come to light;

(e) if so, the details thereof; and

(f) the action taken by the Government to check it ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a)&(b): Information is being collected and to the extent available will be laid on the Table of the House.

(c): As per External Commercial Borrowings (ECB) Policy, borrowers are free to raise ECB from internationally recognised sources such as banks, export credit agencies, suppliers of equipment, foreign collaborators, foreign equity holders, international capital markets etc. Offers from unrecognized sources are not entertained.

(d),(e)&(f): Government has rejected some applications for ECBs, which were not from internationally recognised sources.